

REGULATION 2.08 Emissions Fees, Permit Fees, Permit Renewal Procedures, and Additional Program Fees

Air Pollution Control District of Jefferson County Jefferson County, Kentucky

Relates To: KRS Chapter 77 Air Pollution Control

Pursuant To: KRS Chapter 77 Air Pollution Control and
KRS Chapter 224 Environmental Protection

Necessity And Function: KRS 77.180 authorizes the Air Pollution Control Board to adopt and enforce all orders, rules, and regulations necessary or proper to accomplish the purposes of KRS Chapter 77. The Act Title V requires the assessment of operating permit emissions fees necessary to operate the Act Title V-required activities of the District. This regulation establishes emissions fees, permit fees, the procedures for permit renewal, and additional program fees.

SECTION 1 Title V Emissions Fees

- 1.1 Emissions fees are required from all major sources defined in Regulation 2.16 *Title V Operating Permits* that are subject to the operating permit requirements of Regulation 2.16 and all stationary sources for which an administratively complete operating permit application pursuant to Regulation 2.16 has been submitted to the District.
- 1.2 For Fiscal Year 2007 (July 1, 2006, through June 30, 2007), for the purpose of the July 1st interim billing, emissions fees shall be calculated by multiplying the total of all the single pollutant actual emissions in tons per year (tpy) for calendar year 2005, as affected by the limitations of section 1.3, by the fee rate of \$43.43 per ton. Beginning with Fiscal Year 2008, and for each fiscal year thereafter, for the purpose of the July 1st interim billing for that fiscal year, emissions fees shall be calculated by multiplying the total of all the single pollutant actual emissions in tpy for the calendar year two years before the fiscal year, as affected by the limitations of section 1.3, by the product of (1) the fee rate for the previous fiscal year and (2) the sum of 1 plus the fractional change in the annual Consumer Price Index as most recently published by the EPA. The Board may, by resolution, adjust the emissions fee rate applicable to a fiscal year based upon the review required by section 4.1 and after the public review process specified in section 4.3. If the Board adjusts the emissions fee rate applicable to a fiscal year, the new emissions fee rate shall be retroactive to July 1st of that year and the supplemental emissions fees specified in the supplemental billing shall be calculated by multiplying the difference in emissions fee rates by the same single pollutant total as used for the interim billing.
- 1.3 The total of all the single pollutant actual emissions in tpy shall be modified by the following limitations:
 - 1.3.1 The total annual emissions fee shall be the sum of the single pollutant fees except that no pollutant shall be counted in more than one single pollutant category,
 - 1.3.2 No more than 4,000 tpy of the actual emissions of a single pollutant shall be counted toward the total emissions of a stationary source, and
 - 1.3.3 Carbon monoxide emissions shall not be counted toward the total emissions.
- 1.4 Emissions fees shall be calculated based upon the actual emissions from the stationary source for the calendar year preceding the start of the fiscal year in which the fee is due. Emissions statements are required to be submitted in accordance with Regulation 1.06 *Source Self-Monitoring and Reporting*. If data for the preceding year are not submitted, then

- the District shall determine the fees based upon potential to emit.
- 1.5 Emissions fees are due annually beginning July 1, 1994. Payment of emission fees is due within 30 days of the billing date or July 31, whichever is later. In certain situations, the District may approve an installment schedule of payments not more frequently than quarterly.
 - 1.6 Failure to pay emissions fees when due is a violation of District regulations. This failure is subject to penalties and an increase in the fee of an additional 5% per month up to a maximum of 25% of the original amount due. In addition, failure to pay emissions fees within 60 days of the due date shall automatically suspend the stationary source's permits to operate until the fees are paid or a schedule for payment acceptable to the District has been established.

SECTION 2 Permit Fees

- 2.1 The permit fees listed in Section 2 shall apply to Fiscal Year 2007 (July 1, 2006, to June 30, 2007) to the extent that the date of the applicable event identified in section 2.3 is on or after July 1, 2006. If the date of the applicable event identified in section 2.3 is before July 1, 2006, then the permit fee listed in, or derived from, the January 18, 2006, version of this regulation shall apply.
- 2.2 Beginning with Fiscal Year 2008 (July 1, 2007, to June 30, 2008) and for each fiscal year thereafter, all permit fees shall be calculated by multiplying the applicable permit fee for the previous fiscal year by the sum of 1 plus the fractional change in the Consumer Price Index as is used in section 1.2 for calculating the Title V emissions fee rate, rounded to the nearest dollar. The District shall make available, at the beginning of each fiscal year, a document that lists the calculated permit fees applicable to that fiscal year.
- 2.3 The fiscal year used for determining the applicable permit fee is as follows:
 - 2.3.1 For construction permits, permit transfers, and asbestos demolition/renovation permits, the fiscal year in which the permit is issued,
 - 2.3.2 For construction permit renewals, the fiscal year in which the construction permit expires,
 - 2.3.3 For first-issue operating permits, the fiscal year in which the construction permit expires and is not renewed pursuant to section 2.5.3,
 - 2.3.4 For first-issue FEDOOP permits, the fiscal year in which the FEDOOP permit is issued, and
 - 2.3.5 For renewal operating permits and FEDOOP permits, the fiscal year in which the previous operating permit or FEDOOP permit expires.
- 2.4 Fees for permits except permit transfers and asbestos demolition/renovation permits reviewed or issued pursuant to this regulation shall be based upon the pollutant that has the largest potential to emit and are on a per permit basis. Construction permits are based on potential to emit for the total project and operating permits are based on the potential to emit for the entire stationary source.

2.5 Construction Permit Fees

- 2.5.1 Construction permits shall be valid for a period of 1 year. The permit fee shall be determined by the following criteria for each permit:
 - 2.5.1.1 Subject to Federal PSD/NSR (includes "net-outs," "offsets," other exemptions, or subject to NSPS or NESHAPs) \$ 7,244
 - 2.5.1.2 100 tpy or more, the basic fee is \$ 4,829
 - 2.5.1.2.1 Subject to NSPS, add to the basic fee \$ 1,724

2.5.1.2.2	Subject to NESHAPs, add to the basic fee	\$ 1,724
2.5.1.3	Less than 100 tpy, but greater than or equal to 50 tpy, the basic fee is	\$ 2,932
2.5.1.3.1	Subject to NSPS, add to the basic fee	\$ 1,294
2.5.1.3.2	Subject to NESHAPs, add to the basic fee	\$ 1,294
2.5.1.4	Less than 50 tpy, but greater than or equal to 10 tpy, the basic fee is	\$ 1,121
2.5.1.4.1	Subject to NSPS, add to the basic fee	\$ 862
2.5.1.4.2	Subject to NESHAPs, add to the basic fee	\$ 862
2.5.1.5	New Stage II Gasoline Dispensing Facilities	\$ 2,505
2.5.1.6	Modified Stage II Gasoline Dispensing Facilities for which testing or retesting is necessary	\$1,001
2.5.1.7	Less than 10 tpy, but greater than or equal to 5 tpy, or Stage I Gasoline Dispensing Facilities of greater than 1000 gallon capacity, the basic fee is	\$ 862
2.5.1.7.1	Subject to NESHAPs or NSPS, add to the basic fee	\$ 431
2.5.1.8	Stage I Gasoline Dispensing Facilities of greater than 250 gallon capacity but less than or equal to 1000 gallon capacity	\$ 216
2.5.1.9	Less than 5 tpy and subject to NSPS or NESHAPs (except asbestos demolition/renovation projects subject to section 2.8), the basic fee is	\$ 605
2.5.1.10	Less than 5 tpy and not subject to NSPS or NESHAPs	\$ 321
2.5.1.11	Permit transfers at non-Title V stationary sources	\$ 86
2.5.2	On applications for construction permits where there are 2 or more identical pieces of equipment at the same location, the fee shall be the same as that specified for 1 piece of equipment.	
2.5.3	Construction permits may be renewed until the project is completed and the affected facility is in operation unless 1 of the provisions in Regulation 2.03 <i>Permit Requirements</i> - <i>Non-Title V Construction and Operating Permits and Demolition/Renovation Permits</i> section 5.4 is met. The construction permit renewal fee shall be	\$776
 or the applicable construction permit fee, whichever is less.	
2.6	Non-Title V Operating Permit Fees	
2.6.1	Non-Title V operating permits are for stationary sources that are not subject to the emissions fees of Section 1.	
2.6.2	Non-Title V operating permits are valid for up to 5 years except as noted in Section 3 if no changes are made to the process operation equipment, the air pollution control equipment, or the raw materials; or if there is no increase in the pollutant emission rate. If changes are proposed, the owner or operator shall apply for the appropriate permits and any resulting permits shall be issued at full fee.	
2.6.3	Expiration dates of non-Title V operating permits for a stationary source shall be adjusted to a common date and fees shall not be prorated.	
2.6.4	Non-Title V operating permits are issued on an equipment basis and the District may require multiple permits.	
2.6.5	The permit fee shall be determined by the following criteria for each permit:	
2.6.5.1	Reissuance of a permit for which the sole change is the name or address of the stationary source (this does not include change of owner or operator or relocation)	\$ 51

2.6.5.2	Greater than or equal to 100 tpy but not subject to the Title V program	\$1,337
2.6.5.3	Less than 100 tpy, but greater than or equal to 50 tpy, the basic fee is	\$ 535
2.6.5.4	Less than 50 tpy, but greater than or equal to 10 tpy, the basic fee is	\$ 402
2.6.5.5	Less than 10 tpy, but greater than or equal to 5 tpy, or Stage I Gasoline Dispensing Facilities, the basic fee is	\$ 266
2.6.5.6	Less than 5 tpy, the basic fee is	\$ 201
2.6.5.7	Gasoline Dispensing Facilities - Stage II, add to the Stage I fee per fueling position	\$ 213
2.6.5.8	Subject to NSPS, add to the applicable basic fee	\$ 67
2.6.5.9	Subject to NESHAPs, add to the applicable basic fee	\$ 67
2.6.5.10	Greater than 5 tpy of a single HAP or greater than 10 tpy of all HAPs combined, add to the applicable basic fee	\$ 67
2.6.5.11	Banking Permit (issuance or reissuance with modification, no renewal required.)	\$ 517
2.6.5.12	Permit transfers	\$ 86
2.7	Federally Enforceable District Origin Operating Permit (FEDOOP) Fees	
2.7.1	Permit fees under section 2.7 are for stationary sources that applied for, and were issued, a FEDOOP permit pursuant to Regulation 2.17 <i>Federally Enforceable District Origin Operating Permits</i> .	
2.7.2	FEDOOP permits are valid for 5 years unless voided at the request of the applicant or revoked pursuant to Regulation 2.17 section 6.5.	
2.7.3	The FEDOOP permit fee shall be the sum of the following:	
2.7.3.1	Special processing fee (including cost of public notification)	\$535
	and	
2.7.3.2	The sum of the permit fees for all of the emissions units at the stationary source that normally would be assessed pursuant to section 2.6 if the stationary source had not applied for a FEDOOP permit.	
2.7.4	The permit fee for initial issuance of a FEDOOP permit pursuant to section 2.7.3.2 shall be adjusted on a prorated basis to account for the unexpired term of any previously issued operating permits pursuant to section 2.6.	
2.7.5	The permit fee for revision of a FEDOOP permit shall be the amount that, in the absence of section 2.7, would have been required by section 2.5 or section 2.6.	
2.7.6	The permit fee for the initial FEDOOP permit and subsequent renewal FEDOOP permits shall be divided by the number of years for which that FEDOOP permit is issued and the District shall issue a statement of fees annually for the calculated quotient.	
2.8	The permit fee or notification fee for asbestos demolition/renovation projects shall be determined by the following criteria:	
2.8.1	Friable asbestos demolition/renovation projects:	
2.8.1.1	The basic permit fee including the first 1500 linear or square feet	\$691
2.8.1.2	Add to the basic permit fee for each additional full or partial increment of 1500 linear or square feet, up to a total of 100 increments	\$691
2.8.1.3	Add to the basic permit fee for each additional full or partial increment beyond the first 100 increments of 1500 linear or square feet	\$ 153
2.8.2	Friable asbestos demolition/renovation projects using glovebags:	
2.8.2.1	The basic permit fee including the first 1500 linear or square feet	\$432

- 2.8.2.2 Add to the basic permit fee for each additional full or partial increment of 1500 linear or square feet \$432
- 2.8.3 Category I and II asbestos demolition/renovation projects:
- 2.8.3.1 The basic permit fee including the first 3,000 linear or square feet \$257
- 2.8.3.2 Add to the basic permit fee for each additional full or partial increment of 3000 linear or square feet, up to a total of 100 increments \$257
- 2.8.3.3 Add to the basic permit fee for each additional full or partial increment beyond the first 100 increments of 3,000 linear or square feet \$ 57
- 2.8.4 Notification fee for all asbestos demolition/renovation projects for which the quantity involved is less than 260 linear feet on pipes and 160 square feet on other facility components, or 35 cubic feet of facility components if the length or area could not be measured previously (sections 2.1 to 2.3 apply) \$33
- 2.8.5 Each address on a multiple-dwelling project shall be assessed a fee based upon the criteria in sections 2.8.1 to 2.8.4.
- 2.8.6 A single permit may be issued with any number of combinations of projects described in sections 2.8.1 to 2.8.4.
- 2.8.7 If the project involves both a material that is measured in linear feet and a different material that is measured in square feet, then the number of linear feet and square feet shall be added to determine the applicable fee.
- 2.8.8 If approved by the District, the amount of material involved in a project may be determined in cubic feet. For the purpose of section 2.8.1, an increment shall be 330 cubic feet. For the purpose of section 2.8.3, an increment shall be 660 cubic feet.
- 2.8.9 The fee for a second and all subsequent revisions to an issued permit for an asbestos demolition/ renovation project shall be 10% of the fee for the initially issued permit.
- 2.8.10 Additional fee for each requested inspection or assistance provided outside of the District's working hours of 8:00 a.m. to 5:00 p.m., on a weekend, or on a holiday. Requests shall be in writing and are subject to the District's approval \$ 170
- 2.9 Permit fees are payable by cash, check, or money order to the District and due 30 days after the issuance of a statement of fees by the District. Failure to timely pay for permits may cause the issuance of a notice of violation.
- 2.10 Failure to timely pay for permits issued pursuant to section 2.8 may also cause the requirement that permits be paid for only by cash, money order, or cashier's check and at the time of issuance.
- 2.11 Failure to pay permit fees for permits issued pursuant to sections 2.5.1.1 to 2.5.1.10, 2.6, or 2.7 within 60 days of the due date may also cause the suspension of the unpaid permits until the fees are paid or a schedule for payment acceptable to the District has been established.

SECTION 3 Permit Renewal And Transfer

- 3.1 All stationary sources shall renew operating permits every 5 years.
- 3.2 The District, at its discretion, may adjust individual permit time periods up to 1 year to conform with its inspection schedules of stationary sources.
- 3.3 Instead of the expiration date and fee provisions of section 2.6.3, section 2.7.2, section 2.7.3.2, section 3.1, or section 3.2, the District, at its discretion, may, at permit renewal or at any time during the term of a permit, adjust an individual non-Title V operating permit time period by an amount greater than 1 year. If, at the time of operating permit renewal, the District adjusts the time period for the permit by more than 1 year, then the permit fee, other than the special processing fee pursuant to section 2.7.3.1, shall be adjusted

on a prorated basis to account for the shortened length of time for which the renewed permit is valid. If, during the term of an operating permit, the District adjusts the time period for the permit by more than 1 year, then the permit fee, other than the special processing fee pursuant to section 2.7.3.1, for the subsequent permit renewal shall be adjusted on a prorated basis to account for the shortened length of time for which the permit is valid.

- 3.4 Except for construction permits and operating permits at Title V stationary sources, permits issued under this regulation may be reissued to a new owner or operator (transferred) provided that all of the following provisions are met:
 - 3.4.1 A written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to the District,
 - 3.4.2 The District determines that no other changes in the permit are necessary, and
 - 3.4.3 The permit contains an additional permit condition that allows the District to revise the permit to increase monitoring, record keeping, and reporting requirements.
- 3.5 The transfer of construction permits and operating permits at Title V stationary sources is subject to the requirements of Regulation 2.16 sections 1.3.4 and 5.4.
- 3.6 Banking permits are not subject to periodic renewal. However, a modified banking permit, subject to the permit fee provisions of section 2.6.6.12, shall be issued after each banking transaction, either ERCs deposited or removed.

SECTION 4 Review Of Emissions And Permit Fees

- 4.1 Emissions, construction, and operating fees shall be reviewed each year by the Board.
- 4.2 The annual emissions fee review shall be presented to EPA to document the adequacy of the fees collected to satisfy the requirements of the Act.
- 4.3 The Title V emissions fee rate adjustment public review process pursuant to section 1.2 shall consist of the following steps:
 - 4.3.1 Information on the actual expenses incurred during the previous fiscal year, the projected expenses for the current fiscal year, the total for all the affected stationary sources of all the single pollutant actual emissions, as affected by the limitations of section 1.2.1, for the previous year, and the resulting adjusted emissions fee rate shall be presented to a committee of the Board,
 - 4.3.2 The committee of the Board shall have an opportunity to review the information identified in section 4.3.1 and make a recommendation to the full Board,
 - 4.3.3 The public shall be provided with at least 30 days' notice prior to the public hearing, and the opportunity for public comment, on a proposed Board action to adjust the Title V emissions fee rate. Legal notice shall be made in accordance with KRS Chapter 424 Legal Notices, and
 - 4.3.4 The Board shall hold a public hearing on the proposed Board action to adjust the Title V emissions fee rate.

SECTION 5 Transition Period

- 5.1 In addition to the billing of Title V fees as required by Section 1, the District shall continue to issue, as appropriate, non-Title V operating permits to a Title V source whose operating permits expire before issuance of a Title V permit. The permit fee for each non-Title V operating permit renewal at a Title V source whose non-Title V operating permit expires on or after December 15, 1993, and before July 1, 1994, shall be \$450. A non-Title V operating permit renewal for a Title V source whose non-Title V operating permit expires on or after

July 1, 1994, shall be issued at no charge to the owner or operator if the stationary source is considered by the District to be a Title V source at the time that the non-Title V operating permit expires. Non-Title V operating permits issued in the interim for a Title V source shall expire when the Title V permit is issued.

- 5.2 A stationary source is considered by the District to be a Title V source if it meets 1 of the following:
- 5.2.1 The District has issued a Title V operating permit to the stationary source,
 - 5.2.2 The District has determined that the stationary source has submitted an administratively complete Title V permit application, or
 - 5.2.3 The District had, for Fiscal Years 1995, 1996, or 1997, included the emissions from the stationary source in the emissions inventory list of Title V companies that was used for determining the final Title V emission fee rate for that fiscal year.
- 5.3 A Title V emissions fee credit for the unexpended portion of the non-Title V operating permit fees at a Title V source shall be made as follows:

$$C = (0.51 P) \frac{(T - M)}{T} (N)$$

where:

- C = Title V emissions fees credit, in dollars.
- 0.51 = The fraction of the operating permit fee that does not represent the initial cost of inspection and reissuance.
- P = The non-Title V operating permit fee, pursuant to section 2.6, in dollars.
- T = Term of the issued non-Title V operating permit, in months.
- M = Number of months from effective date of non-Title V operating permit renewals to July 1st of the fiscal year in which the stationary source was considered a Title V source, in months.
- N = Number of current non-Title V operating permits.

SECTION 6 Additional Program Fees

- 6.1 Starting in Fiscal Year 1999, annual Risk Management Plan (RMP) program fees are required from all stationary sources that are subject to the requirements of Regulation 5.15 *Chemical Accident Prevention Provisions* except for those stationary sources that are also subject to Title V emissions fees pursuant to Section 1.
- 6.2 The RMP program fee is as follows:
- 6.2.1 For Fiscal Year 2007, \$627, and
 - 6.2.2 Starting in Fiscal Year 2008, the RMP program fee shall be calculated by multiplying the fee for the previous fiscal year by the sum of 1 plus the fractional change in the Consumer Price Index as is used in section 1.2 for calculating the Title V emissions fee rate, rounded to the nearest dollar. The District shall make available, at the beginning of each fiscal year, a document that lists the calculated fee applicable to that fiscal year.
- 6.3 Beginning in Fiscal Year 2006, Strategic Toxic Air Reduction (STAR) Program fees are required from each stationary source that meets one of the following:
- 6.3.1 As of July 1, 2005, was identified by the District as subject to Regulation 2.16 *Title V Operating Permits* (Title V source),
 - 6.3.2 Is not a Title V source and meets one of the following (FEDOOP source):

- 6.3.2.1 As of July 1, 2005, had applied for an operating permit pursuant to Regulation 2.17 *Federally Enforceable District Origin Operating Permits*,
- 6.3.2.2 Between July 1, 2005, and June 30, 2006, applies for an operating permit pursuant to Regulation 2.17, or
- 6.3.2.3 Between July 1, 2005, and June 30, 2006, is notified by the District that the stationary source is subject to Regulation 2.16 unless it timely applies for an operating permit pursuant to Regulation 2.17, or
- 6.3.3 Is neither a Title V source nor a FEDOOP source but, for calendar year 2003, had actual emissions of 25 or more tons per year individually of sulfur dioxide, particulate matter, volatile organic compounds, or oxides of nitrogen (25 ton source).
- 6.4 The STAR Program fees are as follows:
 - 6.4.1 For Fiscal Year 2007,
 - 6.4.1.1 For a Title V source, the sum of the following:
 - 6.4.1.1.1 \$4,934 and
 - 6.4.1.1.2 A proportional amount of \$212,182 based upon the Title V source's percentage of the total hazardous air pollutant (HAP) and ammonia emissions reported by Title V sources to the District for calendar year 2004. The District will make available a list of the Title V sources, the HAP and ammonia emissions reported by each Title V source, and the percentage of the total for each Title V source, or
 - 6.4.1.2 For a FEDOOP source or a 25 ton source, \$491, and
 - 6.4.2 Starting in Fiscal Year 2008 and each year thereafter, each date specified in section 6.3 and section 6.4.1.1.2 shall be changed to one year later than the date used for the previous fiscal year and the STAR Program fee shall be calculated by multiplying the fee in sections 6.4.1.1.1 and 6.4.1.2 and the total amount in section 6.4.1.1.2 for the previous fiscal year by the sum of 1 plus the fractional change in the Consumer Price Index used in section 1.2 for calculating the Title V emissions fee rate, rounded to the nearest dollar. The District shall make available, at the beginning of each fiscal year, a document that lists the calculated fee for each Title V source for that fiscal year.
- 6.5 Program fees are payable by cash, check, or money order to the District and due 30 days after the issuance of a statement of fees by the District. Failure to timely pay program fees may cause the issuance of a notice of violation. In addition, failure to pay program fees pursuant to section 6.4 within 60 days of the due date shall automatically cause the stationary source's construction and operating permits to be suspended until the fees are paid or a schedule for payment acceptable to the District has been established.

Adopted v1/6-13-79, effective 6-13-79; amended v2/4-21-82, v3/11-16-83, v4/12-17-86, v5/6-20-90, v6/7-15-92, v7/5-19-93, v8/12-15-93, v9/5-25-94, v10/6-21-95, v11/9-20-95, v12/7-17-96, v13/3-19-97, v14/4-16-97, v15/9-16-98, v16/6-16-99, v17/5-17-00, v18/12-20-00, v19/9-19-01, v20/1-18-06, v21/8-16-06.